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INTERNATIONAL AFFAIRS

FRANCO-GERMAN BREEDER REACTOR AGREEMENT DESCRIBED

Paris ELECTRONIQUE ACTUALITES in French 2 Sep 77 p 4

[Article by G. Cuntz: "Franco-German Cooperation in Breeder Reactors"]

[Text] Last 5 July, in Paris, a series of agreements on cooperation of both countries in the field of breeder reactors was signed by France and the Federal Republic of Germany. As the result of the interplay of participation, and of the signing of earlier bilateral agreements, Belgium, Italy, and the Netherlands thus find themselves involved in the struggle for breeder reactors now being waged on both sides of the Rhine. Great Britain, however, though well ahead in the field, preferred, so far as breeder reactors are concerned, to stay out of the European venture, one which is contrary to President Carter's policy, since in effect it aims at rapid development and marketing of this type of reactor, for which plutonium makes up the greater part of the combustible.

French-German cooperation, which is the outcome of 30 months of effort, will indeed be exercised in several areas: in research and development, in the forming of a trustee company for breeder reactor techniques developed in both France and Germany, and lastly in collaboration and marketing strategy between the manufacturers.

Three Segments

In the immediate future, thanks to the AEC, France will contribute the technology acquired with the Rapsodie reactor, the Phenix (250MW) reactor, and the commercial Super Phenix (1200MW) reactor now being built. The German equivalent of the Phenix, the SNR-1 (300MW) under construction at Kalkar, will not be in service until 1982. However, Germany is bringing in the omnipotence of its industry, with the Siemens company.

The first segment of French-German cooperation will bear upon the regroupment of the two countries' activities in terms of research and development, so as to permit full exchange of information and better coordination of the efforts

made in this matter by the AEC and the EDF [French Electric Company] on one hand, and the Karlsruhe Research Center (GFK) and Interatom Laboratories (a Siemens subsidiary) on the other. To this end, a liaison committee was to harmonize the efforts of both countries and define a multi-annual research program financed in equal shares (about one billion francs a year) by France and Germany.

Second point: all knowledge already acquired will be transferred to a company, SERENA [expansion unknown] which will be responsible for the exclusive marketing of technique in the form of granting a licence to manufacturers in all interested countries. The two shareholders in the SERENA company will be, on the French side, 60 percent a joint subsidiary of AEC and the Novatone Company (in which the AEC is a majority shareholder), and on the German side, for 35 percent, KVG [expansion unknown] a recently created company regrouping Interatom, GFK, Belgian Belgo-nucleaire, and Nederlands Neratom interests.

The SERENA company will have three license-holders: Novatone for France, INB (Internationale Natrium Brutreaktor Gesellschaft, a German majority company), and NIRA [expansion unknown] in Italy. Three license-holders, who, whenever they sell breeder reactors, will have to pay royalties to SERENA, which will redistribute them to its shareholders, at a rate of 65 percent to the French, as principal suppliers of technology, and 35 percent to the Germans.

As for the third section of the agreement, industrial strategy, it plans close collaboration between INB and Novatone, and the possible signature of a protocol by which industrialists of both nations will present themselves to outside markets as associates rather than competitors, with joint participation in orders which they may obtain.

Finally it should be pointed out that in the 1990's, according to experts, there could be about 10 breeder reactors in the countries involved in these agreements. That leaves the foreign market, in particular the Japanese market, and perhaps at a later time, the United States market. For these foreign markets, the two manufacturers could make an effort over the next three years to constitute a joint subsidiary which would then make them all the more competitive.

12149

CSO: 3100

MINISTER DISCUSSES STATUS OF EXPORTS TO EEC COUNTRIES

Nicosia CYPRUS MAIL in English 24 Sep 77 p 1

[Text] **T**HE MINISTER of Commerce and Industry, Mr A. Pierides, returned yesterday from an extended visit to Germany, Netherlands, Italy, France and the United Kingdom where he discussed the future status of Cyprus agricultural exports to EEC countries.

«The significance of a satisfactory settlement of the matter cannot be overstressed. More than one third of the population lives on agricultural and farming exports represent 35 per cent of the overall exports of the country», the Minister said.

Mr Pierides pointed out that the EEC has already concluded bilateral agreements with a number of Mediterranean countries which produce similar products and the preferential treatment enjoyed by Cyprus products in the U.K. is due to end at the end of the current year.

«The combined effect of these two events would be catastrophic for Cyprus agriculture if alternative arrangements are not made in time for the export and marketing of our agricultural products to the EEC countries», the Minister said.

Mr Pierides said that as a result of his talks there is now awareness among the member countries of the necessity for timely start of the negotiations.

He explained, Mr Pierides said, the concessions which Cyprus expects from the EEC

the loss to Cyprus of the preferential status it enjoys in the U.K. which receives 70 per cent of the total agricultural exports.

«The nature of the subject and the processes followed in the negotiations with the EEC are such as not to allow any forecast about the outcome but we can say that the government would not fail to do everything necessary to secure the best possible arrangements in the interest of Cyprus».

During his visit to Germany the Minister attended the opening of the «Anuga» Trade Fair for agricultural products where Cyprus has a pavilion.

for the export to these countries of basic agricultural products like early vegetable's potatoes, carrots, table grapes and vine products including sherry and table wines.

Forecast

«This step was considered necessary so that the EEC member countries could know the views of Cyprus before negotiations start and before these countries formulated their own firm views», he said.

The Cyprus side firmly supported the view that very serious consideration must be given to the significance of

TRADE GAP WIDENS IN JANUARY-JULY 1977

Nicosia CYPRUS MAIL in English 28 Sep 77 p 1

[Text]

THE TRADE gap in the first seven months of the current year widened to £56 million which was almost double the figure for the same period last year.

Total exports from January to July this year reached £87.8 million which was £30 million up on the figure for the same period of 1976 when the total was only £58.2 million.

However, imports also jumped, rising to £144 million as against £88.4 million for last year's seven-month period, an increase of £57 million.

Exports for July this year totalled £10.6 million which was 16.3 per cent more than the £9.1 million of the same month last year.

Imports for July totalled £21.8 million as against £14.2 million representing an increase of 53.6 per cent.

Thus the deficit for the month of July this year was £11.1 million as against a deficit of only £5 million in July last year, an increase of 122 per cent.

Raw materials

The principal exports during the month were grapes, clothing, footwear, cement, prefabricated and sectional buildings, and minerals.

Imports of raw materials accounted for 35.6 per cent of

total imports for July, consumer goods for 25.4 per cent, capital goods 23.9 per cent, and fuels and lubricants 14.7 per cent.

Principal buyers of Cyprus goods for the month were Saudi Arabia, U.K., Libya, Egypt, Yemen, Soviet Union, Kuwait, Dubai, USA and Spain.

The United Kingdom was the largest supplier of imports to Cyprus followed by Italy, West Germany, Greece, France, Japan, USA, Algeria, Iraq and Saudi Arabia.

The value of manufactured goods imported during July amounted to £7.2 million, machinery and transport equipment £6.1 million, mineral fuels and lubricants £3.2 million, food and live animals £1.8 million, chemicals and related products £1.5 million.

FRANCE

PCF'S VERBATIM REPORT OF LEFT SUMMIT SESSION

Paris L'HUMANITE in French 26 Sep 77 pp 2-3.

[Verbatim report of proceedings of meeting between leaderships of French Communist Party and French Socialist Party in Paris 2130, 22 September to 0114, 23 September]

[Text] The document published below exclusively by L'HUMANITE is a contribution to history. It is an unedited and complete copy of the notes taken by the communist delegation during the actual session of the Left "summit" on the night of 22 September from 2130 to 0114 hours. We are publishing these minutes because for the past 3 days millions of people have been asking themselves what really happened. Especially since the Socialist Party started circulating a series of unfounded reports, and particularly a report accusing our delegation of having flatly refused to discuss the statement and list drafted by the socialist delegation during the intermission called very early in the session. You can see what was discussed, what comments were made, how persistently the communists tried, and then judge for yourselves.

Time: 2130

R. Fabre: The meeting is resumed. Will Francois Mitterrand kindly take the chair?

F. Mitterrand: No, it's your turn.

R. Fabre: I agree, therefore, to act as chairman. Who wishes to speak? We have summed up the differing views and proposals of our respective parties. We have allowed that our points of view are not close enough to reach an agreement. Who wishes to speak?

F. Mitterrand: I apologize for keeping you up so late, but I request our meeting be suspended for a half-hour.

R. Fabre: Request granted.

The session was suspended until 2330.

R. Fabre: The meeting is resumed.

F. Mitterrand: We strongly felt we the socialist delegation had to caucus again, because of the gravity and tenseness of the situation. Recent statements, the emotional aspect that has added itself to the rational aspect.... We did not want to overlook any possibility. Hence we deemed it our duty to restate in simple terms, as clearly as possible, what the Socialist Party position is, not on the entire range of our differences, but on the specific issue to which Georges Marchais drew attention almost exclusively. Our action in no way detracts from the importance of the other differences which we are prepared to discuss with you whenever we decide to do so.

F. Mitterrand then proceeded to read the entire nine-point statement the socialist delegation (assisted by Jacques Attali and a stenographer) had just drafted. Work on reproducing it for distribution to the delegates had not been completed. After reading the statement, Mitterrand added a few words:

F. Mitterrand: We are also going to give you a list we have prepared as best we can and we believe is accurate. If it contains any errors we are ready to correct them. In our statement we make no mention of the problem of indemnification on which we have made some initial progress or of the problem of naming presidents of the national firms, an issue on which we have not modified our position.

The Socialist Party statement and list were then distributed to the 30 delegates. For about 10 minutes, the communist delegation examined and discussed the two documents among themselves.

R. Fabre: Does anybody desire any clarification?

Analysis of Socialist Proposals

P. Herzig: Without committing myself until I have thoroughly studied your list, I can make a few initial comments. The emotional aspects you yourself mentioned with regard to public opinion did upset you. Nevertheless your proposals contain almost nothing new. They are merely a reformulation of what you have said again and again. Once more you ignore the commitments of 1972. What then can be considered new in your statement? First of all, you have corrected, in response to our criticism, some patent inconsistencies in your own list, that list which you gave us yesterday in hastily-drawn draft form. We note that you have reinserted 89 firms of various types, you have made some consolidations. Thus the inconsistencies have been corrected. Marcoussis [Laboratory] was missing from your own list, based on your own criteria, and you have just reinstated it. But these inconsistencies are corrected on the basis of the same principles, the same basic criteria. You continue to speak of "parent company." As for us, we speak of "parent company plus subsidiaries controlled by the industrial group."

In the wording of your statement you continue to play on words and call a "group" a "parent company."

When you count only the nine parent companies and their 98 percent controlled subsidiaries, that does not tally with the economic and legal reality of the present groups. That is your definition and yours alone. It is a "gray-area notion" of group. With this narrow notion you may indeed speak of strict compliance with the joint program, while in actual fact you are fundamentally deviating from it

You add that complete nationalization of subsidiaries in which parent companies hold more than 50 percent--but not all--of the stock would affect stockholders who are outside the groups and thus "not involved." That's an argument you previously made on television. You really are tremendously concerned about stockholders. We could talk to you about concern for the workers. But we have checked your argument. With regard to the minority stockholders, as a general rule we find they are the big capitalist groups, and frequently the same nine groups. For example, yesterday you mentioned Cellulose du Pin, a group in which Saint-Gobain holds 58 percent of the stock, and you asked: "Who are the other stockholders?" They must not be hurt." Well, the other stockholders are the Pricel group, in other words, they are Renaud Gillet, Antoine Riboud, etc. In short, they are the big capitalist interests. These are the same people. There's no need to be afraid of expropriating those people. They are the ones running the show.

Secondly, on the basis of your own criteria, you made a point of highlighting the addition of Alsthom Atlantique. Yet in your list I still do not see any of its large subsidiaries such as CGEE-Alsthom. You do refer to strategic subsidiaries, few in number, but without listing them. That is, therefore, a retraction of what Jacques Attali told me yesterday. Let's take a look at the Thomson-Brandt group. Without Thomson-CSF, without the Compagnie Generale de Radiologie, without the Compagnie des Lampes, without LTT [Telegraph and Telephone Lines], without CII(B) [International Data Processing Company(B)], without all their subsidiaries, what is this Thomson-Brandt group? Let's look at CGE [General Electric Company]. Its subsidiary the Societe Generale d'Entreprise is a monster. We had pointed that out to you, but it is still absent from your list. CIT-Alcatel [International Telephone Company-Alsatian Atomic, Telecommunications and Electronic Engineering] is not there. To make a long story short, in the list you offer us, you show us dismantled groups, whole segments of which are not nationalized. You promise to nationalize strategic subsidiaries without designating who they are.

Thirdly, it might be considered that you are proposing one small new element in connection with the iron and steel industry. But that gesture is less than timid. You would acquire 51 percent interest in the holding companies of the large iron and steel trusts. Yet behind these holding companies, there are such industrial giants as Usinor, Vallourec, Sacilor, and Creusot-Loire. If we limited ourselves to governmental financial participation, that would mean nothing solid and effective, because these giants would completely escape nationalization. Consequently, in your proposal there is no incipient nationalization of the iron and steel industry. It's merely a case of government participation in ownership. That is tantamount to giving further sanction to private capital. Moreover, you speak

of nationalization as occurring only "in due time," all of which is extremely vague.

Such is our initial reaction, after an initial careful examination. I can summarize that reaction as follows: In what way do you offer us any change in what you have been saying for the past 2 days?

F. Mitterrand: In a limited sphere, namely everything connected with strict implementation of the 1972 program, we are extremely precise. We use the term "a certain number" solely with reference to the case that calls for expansion of the joint program, i.e. a few strategic subsidiaries. We are prepared to discuss this question, the concept of industrial strategy being both precise and vague. That means we are prepared to discuss it without creating the slightest issue that would upset the balances. If there is no list of these few firms, it is because we do not want to box ourselves up in a figure of say four or five. The discussion is open.

Nationalization and Financial Participation

G. Marchais: We must get back to what, when we signed the joint program, was a definition we established together, namely the nationalization of nine big industrial groups including their subsidiaries. You yourself have said this for years in official documents..... We do not read the joint program the same way, you say. But we wrote that program together, with the same pen. You wrote it with us.

What has happened here tonight? There were so many inconsistencies in yesterday morning's document you had hastily drafted, it was so rough and untenable that you proceeded to make a few adjustments and tried to counter our argumentation by an improved format.

But nothing has essentially changed. The difference of opinion remains. When you return to the 1972 concept, we shall be able to establish a nationalization list that will be closer to the truth. For the moment, there has been no response to our proposals.

R. Fabre: The PS statement demands more intensive study. But on our first reading of that statement, we personally find there is an advance over the Socialist Party's initial proposals and over the proposals in the joint program.

G. Marchais: There is more than in the joint program?

R. Fabre: Yes. For example, the iron and steel industry is implicitly included. What you have just said proves there is a large gap. What more can be done at the present time to reconcile our viewpoints?

G. Marchais: Today we are not back on that night in 1972 I recalled yesterday, the night we signed the joint program. That night there was already nearly general agreement. We conceded there could be discussion about nationalization of this or that specific group. But we were in full agreement on the notion of

nationalization quite distinct from financial participation. Here tonight, without mentioning the other problems, there is a wide gap between the commitments you made with us 5 years ago and your current proposals.

P. Mauroy: That's one interpretation.

G. Marchais: No, it's the letter of the joint program. I repeat, there is a gap.

J. Bonacossa (MRG) [Leftist Radical Movement]: The Socialist Party's proposal reiterates in its entirety Francois Mitterrand's proposal of yesterday. In comparison with the proposals of the joint program, it goes further with respect to a few subsidiaries necessary to industrial policy. It goes further for the iron and steel industry. It seems to us it is not only consistent with the idea we sincerely had--we Leftist Radicals--of the joint program but also moves somewhat closer to the Communist Party's views.

M. Rocard: Marchais spoke of a gap. Now in the socialist delegation we do not understand the distinction you make between a company in which the public authority does what it wants, in other words a national company, where that authority is sole master of all the property, and a second company where the public authority also does what it wants, while, however, that company remains a private-law company. In a nutshell, what distinction do you make between the EDF [French Electric Power Company] and the SNCF [French National Railroads]?

C. Fiterman: A national company and a mixed-economy company [private company with government participation] are not the same thing. Holding 51 percent of the stock, instead of 100 percent, when we are the public authority and still have private owners confronting us, does not at all give us the same capabilities, because it is impossible to deprive stockholders of their powers. I explained that yesterday: private stockholders will have the capability of impeding us by employing minority blocking tactics and other means, not to mention the question of profits.

F. Mitterrand: That is a fair explanation.

C. Fiterman: Rocard asks us to "look at the SNCF." But the SNCF is a national company. All stock in the former companies was exchanged for new and redeemable stock in the national company. All the former companies were replaced by this single national company. You are, therefore, drawing an improper parallel.

F. Mitterrand: Fiterman is right in making the distinction between national company and mixed-economy company. It amazed him to see that we make this distinction, but I reiterate, we are not nationalizing the private capital which the joint program had not planned to nationalize.

I say: we do not intend to do so for the moment, because we have a progressive view of nationalizations. We do not want, we the socialists, to do everything the first few years. I say: we seize only the capital called for in the joint program, and not the rest. We ignore the rest. It remains private sector, ruled and controlled in most cases by the public authority.

R. Fabre: We [the chair] note there is disagreement on this point.

A Socialist Bill

G. Ansart: In asking his questions, Rocard would leave the impression that we do not understand the thrust of the socialist proposals. The issue is simple: since 1977 the Socialist Party has been giving a new interpretation to the joint program.

G. Marchais: That's right. We can even pinpoint the time. It was in the spring of 1977. Attali wrote it in black and white before you adopted your uncompromising attitude.

G. Ansart: In 1972, we had fought for nationalization of the iron and steel industry. The night the agreement was signed, because there was a minimum threshold of nationalizations of the banking and financial system and nine industrial groups, we accepted the principle that nationalization [the iron and steel industry] be replaced by having the state acquire an interest that could be a majority or controlling interest. But for the past 5 years, the iron and steel industry has emerged in full force as an issue in our debate. The present situation is an unprecedented muddle. The National Assembly has debated the question. It's a major national issue. Tonight we have received numerous telegrams from representatives of the iron and steel industry. The Socialist Party has mentioned "nationalization of the iron and steel industry." But it rejects such nationalization. Who is it trying to reassure with these tactics? For years now the masters of the iron and steel industry have been given public funds so that they can purchase mines and factories abroad and thus throw tens of thousands of wage earners out of work. No one will understand how we can possibly hesitate to attack big capital. Today we have our back to the wall and it is no longer the time for propaganda speeches.

C. Fiterman: It's still the same issue. In the joint program, we specifically referred to industrial groups and not financial holding companies. But you, you treat the problems as if financial holding companies were involved. That is something new.

Here for example, is a bill your parliamentary group introduced for nationalization of the Dassault group. In that bill you list a series of companies, including some we do not mention in our list. I quote: "Decrees...shall proceed to consolidate the property, rights, and obligations of the firms listed in the preceding article and of existing national companies.... In addition, decrees can transfer to one of the national companies...the property, rights, and obligations of firms that may be considered subsidiaries of companies listed in Article 1, any firm whose parent company owns 25 percent of its capital stock being regarded as

a subsidiary....," of firms whose principal activity is not one of the types of manufacturing covered by Article 3 but who have a direct connection with these types of manufacturing activity. In that bill you do indeed say "firms" and not "participation." And you speak of subsidiaries that are 25 percent controlled. The bill in question is dated 7 November 1974. That bill was definitely consistent with the joint program. Since then, you have substituted one definition for another. In looking over your list, Philippe Herzog cited some instances, I pointed out others: in your list entire segments of the industrial groups are missing.

R. Fabre: Do you think we can formulate a working procedure that will enable us to continue and take a more far-ranging view? Or else must we limit ourselves tonight to noting that we are in disagreement? In my opinion, we are not going to reach an agreement tonight.

More Socialist Party Documents

G. Marchais: You have changed. Here is one proof of that: in a Socialist Party document you asked the question: "Nationalize subsidiaries or not?" after having for years accepted the joint program's solution. That is when the dispute began. I quote from the March 1977 issue of FAIRE: "Legally speaking, nationalization consists in making a transfer of property. There are two ways of accomplishing this transfer: one is to transfer assets, the other is to transfer stock. Most nationalizations during the Liberation period [immediately after World War II] consisted in transferring assets because the task was one of creating new firms out of a large number of existing firms. There were, for instance, more than 800 gas and electric power-generating firms whose assets were turned over to the EDF and GDF [French Gas Company].

"We are faced with a different situation in 1978 in that the problem is one of nationalizing large already-constituted industrial groups. Thus from a legal standpoint, the 1978 nationalizations will consist in transferring private stockholders' stock to the state. Yet the problem is not as simple as it looks at first glance. As a matter of fact, most of the nationalizable firms are veritable holding companies (or parent companies) controlling a large number of subsidiaries. This thus raises the question of whether nationalization is limited to taking action at holding company level or includes simultaneous action at subsidiary firm level. Behind this apparently highly technical choice there are actually two different conceptions of the public and nationalized sector. In the first case--nationalization of only the holding companies--the state would thus become a stockholder, frequently a majority stockholder, at times a minority one--with or without a position of real control--in a large number of subsidiary firms. (There are almost 800 such firms for Saint-Gobain-Pont-a-Mousson alone.) This, therefore, means moving towards an Italian type structure in which the IRI [Industrial Reconstruction Institute] controls hundreds of firms through five holding companies. All these companies remain private-law companies with the standard organizational structures authorized by that law, but are state-controlled. In the second case--direct nationalization of subsidiaries--nationalization action is taken directly against all of a group's companies. At first glance, the second solution appears to be the better

one and more in conformity with the spirit of nationalization. However, we must ask ourselves if it is truly realistic in the short run."

You heard that, I'm sure: we are faced with two different conceptions. That's clear, isn't it?

Oh what a large number of documents we could cite! They are undeniable confirmation of the fact that for years we have had, you and us, an identical interpretation of the joint program. When we signed that program in this very room, we had that common interpretation. But today you have abandoned it. That abandonment has caused us to no longer have the means of implementing the social policy called for in the joint program. It is this abandonment which now leads you to be so restrictive in the area of social policy, if only where the SMIC [Interoccupational Minimum Growth Wage] is concerned. In fact, there is a close tie between your position on the SMIC and your views on nationalization.

In a word, you have offered no response to our serious conciliatory proposal, a proposal that was not prepared in a few hours around a table, but with a great deal of careful thought, as a compromise capable of culminating in an updated viable joint program.

If, as it would appear, you have already been impressed with the weight of our argumentation, I am expecting you Francois Mitterrand, you socialist delegates, and you Leftist Radicals, to take the necessary step so that we can successfully reach a good agreement. You too, Robert Fabre, I count on you to make the necessary effort. When I think of how at the National Assembly you complained that the joint program had not ventured to provide for nationalization of the Petrole [French Oil Company] and Citroen, what a change!

R. Fabre: In reply I shall simply refer you to the appendix added to the joint program in 1972 by the Movement of Leftist Radicals....

A Communist Delegate: That's just the point, it calls for expansion of the public sector....

R. Fabre: As for nationalization of Citroen and Petrole, I never said that.

G. Marchais: But yes, you did say it in the National Assembly's 17 December 1974 session. I quote you: "The fact remains that the joint program is right, particularly in reference to necessary control of credit at the top and to necessary control of the large means of production. Perhaps we even were too timid. Such examples as Petrole and Citroen are excellent proof of this." The JOURNAL OFFICIEL is heartless and indisputable.

P. Herzog: In a paper submitted in December 1976 by the Movement of Leftist Radicals to our three-party working group assigned the task of preparing material for the updating [of the joint program], we can read: "We could accept the principle of nationalizing 50 percent controlled subsidiaries and those other subsidiaries deemed necessary to the group's operations."

Collectivism?

G. Marchais: You have to squarely admit: "For years we had the same interpretation as you, but today we are modifying our interpretation." You have to be able to accept your responsibilities.

P. Mauroy: You are starting to indict us.

G. Marchais: I have never indicted anyone, and will not do so.

G. Ansart (to P. Mauroy): Pierre, you yourself voted for nationalization of the iron and steel industry in the general council of the Department of the North and in the regional council.

F. Mitterrand: There are individual positions and party positions. You and us, we are two great parties. We socialists believe our interpretation has remained the same. But it is true that we start from different postulates. Our line of reasoning applies to the nine groups, not one more than that. Your real intention is not nine groups. It's 10. It's 11. It's not even 10, 11 or 12. It's more than that.

G. Ansart: Now there's the indictment.

F. Mitterrand: No, not at all. That is simply your firm belief. I am not accusing you of wanting to move up to 10 or 11 groups within the scope of the joint program. But you do have a general conception that is not ours. As for us, we do not want to exaggerate the impact of nationalizations in an initial phase, and we are not tempted to nationalize across-the-board. All of your argumentation fits into a way of thinking that considers private capital as excessive wherever it may be. That is your conception of society and of life. It is legitimate. It is legitimate for you to have a dogma. But if we lock ourselves into dogmatic positions, we can never hope to come together. We trust that these different political families to which we belong will become reconciled. We approach the discussion resolutely but with no desire to provoke you or offend you, or to trigger a debate that could degenerate into mutual recriminations. But if, after a setback, we find ourselves facing a general offensive... we are upset. But we are no more upset than we have right to be. We do not wish to do so, but if we have to, we will dauntlessly attack, while still hoping that we can preserve the chances of getting together behind the joint program. A compromise consists in putting aside a bit of the dogma to which one is attached. That was the case in 1972. We would have hoped to see the same spirit on your part in 1977.

The updating work has already resulted in a transformation of the joint program, which I readily acknowledge is a sharp improvement in its form, style, format and substance. Must we now give up in sheer despair? We are 6 months away from the elections. If we win them together we shall have a long partnership. A good custom has become established in French political life. It was initiated by Pierre Mendes France. It is the concept of setting timetables, and it has come to stay. The people are called to witness the fulfillment of campaign

promises. But it does not follow from this that we must put everything in writing so that everything is planned and scheduled as if future events did not count. Such an approach indicates little self-confidence. We shall advance bit by bit. There will be dialectic movement, thesis and antithesis, but not always synthesis. That's the way things should go. It is enough to enable us to govern together. If you could, you would spread nationalization to many other sectors. But you cannot do this because we are present. Collectivization cannot be systematized. It is true that the language you employ has contracted. You now refer only to "large" means of production. Thus you have slowly adjusted. But the fundamental issue is still there and it is an obstacle to us.

We say this without bitterness. We are merely somewhat weary and upset at having to explain things umpteen times, a bit tired of never being understood. I listen to your propaganda on radio, on television. These days of discussion have had no effect on you and you continue repeating the same things. It's a stalemate. We do not feel angry. We are not preparing for combat action. We remain ready and available, but we cannot allow ourselves to react to a situation created by others.

G. Marchais: I have already heard that elsewhere. It's the charge of collectivism. If you wish, we shall both read our program "Changing Course" and your 1972 program. In your program, your mention of collectivization was much more lavish than the Communist Party's. This argument of collectivism is a poor one. We must leave it to our opponents.

As for us, we speak a much simpler language. We propose to update the jointly established program in a manner rigidly consistent with its fundamental objective: a comprehensive policy of social progress, economic and political democracy providing the means with which to implement that policy, national independence and disarmament, full stop, period, that's all.

The question raised does not involve a choice of society. Our agenda does not include passing from capitalism to socialism, or establishing communism. I have said that before. We must, therefore, revert to what constitutes the basic purpose of today's meeting, namely to update the Left's joint program, and update it without retrogressing, but in such a way as to meet the requirements stemming from the changes that have occurred over the past 5 years.

As far as nationalizations are concerned, all we did was reiterate the official and public position of our two parties. Like us, you have called for nationalization of the iron and steel industry. Like us, you have called for nationalization of Peugeot-Citroen! Like us, you have called for nationalization of oil! Those are the only three additional proposals we have made. Not one more than that.

If that is what is meant by collectivism!

As you stated in your 1972 program, we deemed it necessary to clearly announce what subsidiaries had to be nationalized. Naturally, things were not the same in 1972. We still had a long road ahead of us. We have traveled that road. Now we have the possibility of winning, the possibility of having the majority of the people entrust us with management of the country's affairs in a few months. Under these circumstances, can we afford to improvise around a table for just a few minutes? On such serious issues, we must be really prepared beforehand so as to preclude any blunders.

I quote the following bit of advice from one of the many telegrams we have just received: "Get yourselves together by remembering Chile, Portugal and England." That's the way we feel: we must put the maximum trumps on our side, the Left's side, not only to win--i.e. also to expand, to win over to our cause particularly those who suffer the most--but also to be able to hold out tomorrow so as to defeat our opponents who are, as you know, tenacious, so as to succeed. We have no other concern whatsoever.

To achieve this objective, namely a formidable, solid, and alert majority movement, we must first complete a good updating of our joint program.

As for everything else, the Communist Party, the Socialist Party, each have their program, their policy. We do have our own ultimate goals. But what we have to do here and now is abide by the contract we both signed 5 years ago, and nothing else. And we also have to further strengthen our unity behind that contract.

We knew it when we associated ourselves with you: it was going to be a long road. As I said just a while ago on television: 13 years. In fact it has been 15 years since the "Let us march side by side to strike together." We could foresee it would be a long road because we were coming from afar. But to continue going even further ahead today we must not go back on questions essential to the life of millions of workers, to the nation.

Let us not lose sight of the real issue: unity, unity in support of a good, adequately updated program with which to defeat our opponents and to succeed. That is our position. Any other interpretation is to accuse us maliciously. I reiterate, we have no other strategy. Perhaps you will tell us: "You have been lacking in foresight...."

Points of View

F. Mitterrand: We the socialists are in the same situation.

G. Marchais: Well if that's the case, you must take the action called for. You will recall, Francois Mitterrand, that during our personal contacts--for we had to have some in order to work together--in 1974 especially, I told you: "I am not a man who bargains. I will never be." I can understand bargaining in business, but great parties like ours destined to assume such responsibilities cannot allow themselves to bargain. Of course, if at the outset our figure of

729 and your figure were close, if there had been a figure corresponding to real nationalization of a sufficient number of subsidiaries, if for example you had said 705, then I would have told you: "Francois Mitterrand, let's go get a cup of coffee and let our experts work it out."

But at the present time, it is not a question for our experts, no matter how qualified they may be, it's a question of basic policy.

Five years ago, we made a compromise, and what a compromise! We, the communists, were calling for nationalization of 25 groups. We finally agreed on nine groups. In view of that, how can you possibly think that today we can say to our party, to our voters: "You will have even much fewer groups than 5 years ago." We won't do it. And we won't do it because it would lead us into disaster, because it would be courting failure.

There have already been too many failures. The Popular Front obtained good results. They were not entirely negative. Also during the Liberation period, workers obtained positive results. Today, however, Frenchmen expect much more, a real and solid change. That's what our party's entire leadership feels, what all communists feel. Hence, I repeat it once again: you have to take another look at the situation and offer us proposals that are much more consistent with reality.

F. Mitterrand: Our proposals provide a good working hypothesis. Admittedly it can be improved. But this hypothesis answers all the questions asked by G. Marchais. To all his questions, we answer "yes." We even run the risk of being embarrassed by these proposals tomorrow. We have not governed for a long time. We are going to assume power at a time of great crisis. Are we going to encompass a whole group of sectors in one fell swoop? If we expanded the joint program of 1972 beyond the limits of 1972, we would fall into bureaucratization, immobilisme, and stalemate. We, the socialists, rely on time, future developments, and life.

We have both, I believe, adopted a strategy for which there is no possible alternative. Either we govern together or else neither one of us will govern.

We have run out of things to say to each other. We are in favor of meeting again, but only to do something effective.

R. Fabre: I no longer have anything to offer but recommendations. We take note of the fact that there are major areas of disagreement. After what happened last week, I do not dare request we be granted additional time for reflection. But by force of circumstance we have come to a stop. We, Leftist Radicals, had seriously considered requesting a suspension of this session. But now we have nothing more to say to each other. I recommend, therefore, that the liaison committee remain in touch and see if it isn't possible to resume our discussion in the days to come.

Jean Poperen (PS): We should set a date.

F. Mitterrand: The next date we set, if we do set one, will have to be a "no-later-than" date.

R. Fabre: We must not let things deteriorate. Thus, it is dangerous to set a date. What is the Communist Party's view?

G. Marchais: We are open to any discussion at any time to hear your proposals.

F. Mitterrand: Your way appears reasonable.

R. Fabre: This is Thursday. No, its already Friday. May I propose a meeting of the liaison committee?

Jean Poperen: The liaison committee is technical, but the problem is political.

R. Fabre: Hence there is no agreement with respect to the liaison committee? How about a date? But there are disadvantages to setting a new date.

F. Mitterrand: If we are not in a position to accomplish something, we cannot set a date. If, however, everyone is prepared to reach an agreement, then we could meet tomorrow morning. If not, why waste our time and make public opinion waste its time?

P. Mauroy: We will not be able to add anything more tonight.

R. Fabre: Are we to get in touch with each other to set a date for another meeting?

G. Marchais: We are waiting.

G. Deferre: So are we. Everybody is waiting.

F. Mitterrand: We are available at any time. By telephone, letters, or encounters. Any way is acceptable.

G. Marchais: I repeat that we are available at all times to resume our discussion. We await your proposals.

R. Fabre: The meeting is adjourned.

Time: 0114

8041

CSO: 3100

TURKEY

BRIEFS

LUMBER SHORTAGE--Diyarbakir (THA)--It is reported that within the next few years our country will be unable to meet its present annual requirement for 5.5 million cubic meters of lumber. In this regard a report prepared by the chairman of the Turkish National Poplar Cultivation Committee noted that this figure is increasing each year, and that at present poplar production comprises a total of 1,200,000 cubic meters of lumber of the grand total. It added that with the proper efforts including the allocation of five percent of irrigable agricultural lands, the total poplar production could, within a few years, reach 2 or even 3 million cubic meters annually. [Excerpts] [Istanbul AKSAM in Turkish 27 Sep 77 p 5]

ADVICE TO PILGRIMS--Individuals who are planning to make the annual religious pilgrimage to Mecca are urged to adhere to the following recommendations of the Ministry of Health and Social Welfare: Do not drink unchlorinated water and be very careful about foodstuffs; do not buy any foodstuffs in Syria; do not drink water in Syria; take an adequate amount of chlorinated water from Turkey, or obtain chlorine tablets from the Health Ministry; do not pass through Damascus, Aleppo and Latakiya; if you do not take chlorinated water or chlorine tablets from Turkey, boil your drinking water; do not eat any fresh fruit or vegetables; do not eat any dates which have not been packed, and do not attempt to bring such dates back to Turkey, for they have been prepared under primitive health conditions, and will be destroyed at the border because of the possibility of containing various types of infectious microbes. [Excerpts] [Istanbul HURRIYET in Turkish 13 Sep 77 p 7]

CSO: 5400

DEVELOPMENT, TESTING, PRODUCTION OF LEOPARD 2

Leopard/XM-1 Test Results

Bonn WEHRTECHNIK in German Aug 77 pp 23-25

[Text] It could not be anticipated that the comparison testing of the Leopard 2 would create such an international sensation in the press. Also just a little more, and the "evaluation" of the Leopard 2 which could be found in American newspapers would have resulted in a political disagreement between Germany and the United States. In this matter everything had started in such a promising way with a memorandum of understanding of December 1974, by which the FRG obligated itself to send a Leopard 2, which was still to be modified, to the United States by September 1976 for comparison testing with the XM-1. Even though it had not been set down in black and white anywhere in a contract, there were, nonetheless, hopes--for the most part on this side of the Atlantic--that the Leopard 2 could be introduced by the U.S. Army in view of its superiority vis-a-vis the XM-1. In the meantime we already know that nothing came of that; almost all those involved in the German-American battle tank-70 program had predicted that from the very start. And it now appears unlikely that anything will come of the intention that was set down in an addendum to the memorandum of understanding of August 1976 to standardize at least some components. Fiasco all along the line? It almost seems that way. It is again apparent that even any subsequent standardization of the two developments, already present as hardware, without the complete job of development, will be possible only with difficulty.

But should America have given up its XM-1 development in favor of the Leopard-2? If the statements of American politicians could have been believed, then it should have done so, because the Leopard 2 performed better in the comparison test than the XM-1, even though at first we heard differently from the United States.

Before drawing on several facts to substantiate the good performance of the Leopard 2 in the United States, there would really first have to be an article about the evaluation of defense material. This will be treated extensively in one of the next issues of WEHRTECHNIK. To avoid anticipating this article only the following will be mentioned here.

--The material due to be evaluated should be developed on the basis of equal military requirements. This is not true in the case of the Leopard 2 and the XM-1.

--Every piece of equipment to be evaluated should meet all requirements, or otherwise be excluded from evaluation. This normally strict requirement did not apply in the case of the Leopard 2. Nonetheless, for example, its failure to meet width or height requirements was held against it just as much as for having too small a supply of ammunition.

--Individual requirements must be weighted, that means, resultant performance values, such as hit probability or mobility, must enter proportionately more strongly into the final evaluation than, for example, adhering to measurements. Thus, German and American weighting must inevitably differ because of different national requirements.

--The extent of meeting a requirement must also be evaluated.

These last two points were not considered at all in what was reported from the United States about the Leopard 2--XM-1 comparison.

Besides, in a comparison test an effort should be made by the U.S. to actually compare the models side by side.

Although all the Germans who participated in the Leopard 2 test in the United States emphasized that the U.S. test personnel were objective, it must, nonetheless, be stated that testing was the exclusive responsibility of the United States. The German side had, however, agreed to these conditions in the Memorandum of Understanding.

The Americans had set up a total of 117 criteria for the comparison test. The same criteria were also used to choose between the two versions of the XM-1 from Chrysler and General Motors. Some 40 criteria were not rated; of the remaining 77 criteria the Leopard met 61, the XM-1 48. Even in terms of this "go-no-go"-procedure, the Leopard would have to be better than the XM-1, without any kind of statement concerning the extent to which a criterion was met.

The 117 criteria were combined into 17 evaluation groups by the U.S. Army --and suddenly the picture of the comparison, which was also communicated to the public, appeared completely different. Now all of a sudden, the Leopard met only 6 of the 17 requirements, the XM-1, on the other hand, a proud 16! For example, survival capability of the crew, and the equipment and the height of the vehicle, reliability and weight exist side by side with equal weighting in these 17 evaluation criteria. If the United States used these 17 evaluation criteria as a basis for deciding between the XM-1 versions, then it was clearly not according to the yes/no principle, but rather with a weighting of the individual points. Purely according to the yes/no principle the XM-1 from General Motors would indeed have to be better than the Leopard 2 since it had to meet established requirements such as weight, height and width.

In regard to the 17 established U.S. criteria, the following details should be noted:

1. Survival capability of the crew (U.S. statement XM-1: yes; Leopard 2: no)

A total of more full penetrations was indeed scored in about 40 rounds of hollow charge and impact projectiles fired at the Leopard 2. But the test conditions were not the same, since in the case of the Leopard 2, the areas that are critical in the design were fired at more often than in the case of the XM-1. Besides, the bombardment of the XM-1 could not be observed by any Germans. Thus, both vehicles would have to be ranked as equally good.

2. Hit probability (no/no)

The U.S. requirement for very high hit probability by the first shot was not achieved by either vehicle, but in troop trials the Leopard came considerably closer to the required mark than the XM-1, especially in firing while moving.

3. Observation capability and target pickup (yes/yes)

Both are possible in the Leopard with the optical system of the commander and the gunner. In the XM-1 this can be done only with the gunner's optical system.

4. Firing speed (yes/no)

The Leopard only partially met the American requirement for firing speed. But the far higher hit probability of the first shot modifies this result.

5. Stowing of Ammunition (yes/no)

The Leopard 2 in the United States with its 40 rounds did not meet the American requirement as the XM-1 did with its 55 rounds. However, it should be observed that the German tank has the more efficient 120 mm ammunition.

6. Tactical mobility (yes/yes)

7. Cross-country mobility

In this case, too, there was no statement about the extent to which meeting both criteria was met.

8. Integration of supplementary weapons (yes/no)

The American requirement for the XM-1 provided for one 0.5 caliber machine gun and two 7.62 mm machine guns; the German military requirement, however, was a 7.62 mm machine gun for the commander and a coaxial one in the gun shield.

9. System integration/ergonomics (yes/no)

In this regard any evaluation would always have to turn out to be subjective because of other requirements, for example, with regard to antropo-technical design.

10. Survival capability of the equipment (yes/no)

It is not known how this negative statement was arrived at for the Leopard 2. From other statements by American agencies and also on the basis of observation during the test, there would have to be at least equivalent survival capability for both designs.

11. Height of the vehicle (yes/no)

The Leopard 2 is all of 4.1 cm higher! Its turret, however, is designed for the heavier 120-mm weapon. The XM-1 could likewise be somewhat higher with a 120 mm weapon.

12. Recognition (Noise/smoke development) (yes/yes)

Both vehicles meet the requirement without any statement about the extent of same.

13. Logistic expense (yes/yes)

In this regard the Leopard 2 would of course really have to be superior, since it had far shorter repair periods during testing because of its being further advanced, and because the fuel consumption of the diesel is considerably less than that of the turbine.

14. Costs (yes/no)

The XM-1 is, of course, supposed to be \$28,000 cheaper to manufacture than a Leopard 2. But ignored in this regard is the fact that the Leopard can accept both the 120 mm cannon as well as a 105 mm cannon, that is has an independent commander's periscope, an ABC [atomic-biological-chemical] safety system, and systems for explosive devices and laying smokescreens and it can move underwater.

15. Weight (yes/no)

The U.S. Army had required 52.5 tons, which, of course, the Leopard at 54.1 exceeds. The German military requirement was in keeping with the MLC 60, which would permit a weight of 55.13 tons.

16. Width (yes/no)

The 144-inch width required by the United States is observed by the Leopard with 146.75 inches, only if the ballistic aprons are removed for rail transport.

17. Reliability (yes/yes)

In any evaluation of the extent to which this requirement is met and of the reliability demonstrated in the United States, the Leopard 2 would have to perform far better in this regard than the XM-1.

Thus, from the German point of view an evaluation of the performance of the Leopard 2 in the U.S. test appears somewhat different, especially if the judgement is measured against the three criteria of fire power, mobility and armor, which, in this order, still define German tank philosophy. In this the Leopard demonstrated, in part, clear superiority in fire power; it performed somewhat better in mobility and was at least equivalent in armor. This would also have to turn out to be the conclusion from any joint evaluation of the test, which has not yet occurred, but which was originally planned. It is questionable whether it will take place. Thus, for the present, the matter rests with each side being able to release only the test data for its design.

A few words on the subject of standardization. Until now there has been success only in the temperature entropy diagram devices for night vision where the German devices are to use components developed in the United States (common modules).

Doubt is in order in regard to the cannon. For the present the United States has postponed a decision until the end of 1977 in order to also test the competing British development. The latter, of course, may for the present achieve a penetration performance that is comparable to or even better than the German performance by using shell cores with a smaller cross-section. Since the same route is now also being taken in Germany to decrease the cross-section, any superiority of the German weapon with improved ammunition is preserved. In this connection consideration must still be given to the fact that the German weapon is ready for series production while the British one still requires substantial development outlays in terms of money and time. Certain things even speak in favor of the United States deciding on neither the one nor the other weapon, and first initiating production of the XM-774 ammunition with a depleted uranium core for the 105-mm weapon which is already in use.

In contrast to the German weapons system developed for series production, the other big "object of exchange," the turbine, has not yet advanced so far that it could be used in a short while for the Leopard 2. (In the addendum to the memorandum of understanding it is stated so very nicely: "When the design is ready for use and can be series-produced and satisfies the demands of the other partner!")

If, at first, the situation with the track looked as if the Americans intended to take over the Diehl track, it was suddenly too heavy for them. There was finally agreement on standardized mounting dimensions.

Production Schedules, Costs

Bonn WEHRTECHNIK in German Aug 77 pp 25-28

[Text] The largest tank procurement program with scheduled expenditure of DM 6.5 billion for 1,800 Leopard 2 battle tanks cleared all parliamentary hurdles a few weeks ago. With that, the green light was given for series production, delivery to start in 1979--only the general contractor must still be established. Three companies, geographically well-distributed throughout the FRG, are hopeful. The decision, likely to be made in September by the Federal Government, about this question, will surely kindle more political fuss than the procurement plan itself, for it is not exclusively a question of the most qualified applicant. Problems concerning extent of utilization likewise play a role, as well as ostensibly north-south differences. We are anxious to know how the decision will turn out and how it will be justified.

After delivery of the first lot of Leopard 1 tanks in 1967, investigations were initiated to improve several construction groups of the battle tank, such as weapon, drive, running gear and armor configuration. For this purpose two test vehicles were built in an experimental program and tested in 1970-1971. After establishing the German-American battle tank 70 development, the findings gained from this program flowed into the "experimental program," which was then being continued as a national battle tank development, a program which had as its goal for 1976 the introduction of a new battle tank to replace the M48. After 7 prototypes at first, 10 other battle tanks were built which were called Leopard 2 at the instance of the then Minister of Defense Helmut Schmidt. In 1973 the technical testing of the first prototypes began, in 1974 troop trial followed, and in the next year climate testing in Shilo and Yuma. New requirements for armor, with the resultant establishing of the weight limit MLC50 and an agreement with the United States on battle tank standardization (December 1974), had a decisive influence on the Leopard 2 development. Besides, a new fire control system with primary stabilized optics and a laser range-finder was developed and tested in the turret of prototype 14. For comparison testing by the United States three additional prototypes were built, PT 19, 20, and 21. The Leopard 2 was tested in the United States from 9 September 1976 to 18 December 1976. All Leopard 2 prototypes to date went over 80,000 km, roughly half on the road and half cross-country. Over 11,000 rounds were fired from the 120 mm cannon with the smooth barrel, newly developed for the Leopard 2, over 7,000 rounds from the 105 mm cannon, with which several prototypes were equipped. The performance of the 120 mm cannon with 50 rounds in the United States had also brought very good results.

The total development costs for the Leopard 2 weapons system are given as DM 465 million.

After being acknowledged by the Defense Committee (25 May 1977) and the Budget Committee (15 June 1977), the procuring of 1,800 Leopard 2 battle tanks can now be started. All tank brigades of the Army (with the exception of tank brigades 28 and 29 which are equipped with the Leopard 1 A 4/6th lot) are to be equipped with it, each of the 3 tank battalions of a tank brigade is to receive 35 Leopard 2 battle tanks. In addition to these 1,470 Leopard 2 tanks, there will be 140 tanks for the 14 tank training companies and 190 tanks for schools, test sites, troop training areas and for rotation reserve, all together a defense reserve of 330 battle tanks equal to 18 percent. The supply is to begin with 20 vehicles in 1979, then 100 and 180 vehicles a year, and starting in 1982, it is to reach the annual delivery rate of 300 battle tanks. For this a total of DM 6,448,474,800 are to be spent (prices as of 31 December 1976 for everything); of this total DM 70 million will be spent in 1977 and DM 300 million in 1978 for cross-country units. The first lot is to comprise 380 Leopard 2 tanks.

The costs for a Leopard 2 battle tank break down as follows:

Price per piece of equipment (without value-added tax)	DM2,732,600
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Of this total amount the separate costs are

Turret housing and the remaining construction group for the turret	DM 574,000
Fire control system	DM 474,000
Hull	DM 270,000
120 mm weapons system	DM 213,000
Motor	DM 171,000
Transmission	DM 110,000
Plus 11 percent value-added tax	DM 300,586
Price per piece of equipment	DM 3,033,186

Extra charges for the system (including 18.3 percent value-added tax)	DM 549,300
Replacement parts stock for 3 years	DM 402,000
Special tools and testing devices	DM 87,300
Training material	DM 48,000
Technical service regulations and documentation	DM 12,000
Price of equipment system (including value-added tax; price as of 31 December 1976)	DM 3,582,486

If some of the construction group prices and extra costs for the system are multiplied by the 1,800 units, the result is the following total expenditures:

Turret housing and remaining construction groups for the turret	DM 1,033.2 million
Fire control systems	DM 853.2 million
Hulls	DM 486.0 million
120 mm weapons systems	DM 383.4 million
Motors	DM 307.8 million
Transmissions	DM 198.0 million
Replacement parts stock for 3 years	DM 723.6 million
Special tools and test devices	DM 157.1 million
Training material	DM 86.4 million
Technical service regulations and Documentation	DM 21.6 million

These prices listed in the procurement document (the so-called "Woerner letter") were compiled on the basis of cost estimates from developer Krauss-Maffei from the end of December 1976. It now remains to be hoped that the bids delivered on 1 July at the Federal Office of Defense Engineering and Procurement [BWB] from the three applicants for general contractor, namely, Mak, Thyssen-Henschel and Krauss-Maffei, will list lower prices. These bids will be evaluated by mid-August on the basis of technology, economics and price, and then one applicant will be recommended as general contractor.

Management of the Federal Ministry of Defense has reserved for itself this decision as to who will ultimately be the general contractor; likewise it will decide on any possible distribution of production of the 1,800 battle tanks over several manufacturing locations. Thus, it is possible that they will go the same way as with the Frigate 122.

The companies must quote a firm price and a sliding price clause in their bids. It will be difficult for the companies to give the required performance guarantee now, thus prior to delivery of the first series-produced equipment. The companies are also familiar with the technical conditions of delivery for all construction groups and subsystems. Although the design level is already set, preparing for series production (at present being managed by Porsche) will take at least until 1978. A job soon to begin for the government offices will be the so-called "plus-minus calculation" at the amending office, when the companies present their detailed bids and drawings for the components. One company will perhaps demand a somewhat higher price on the basis of a design in preparing for series production, another somewhat less since the series will be cheaper than what was calculated in advance. Checking what additional requirements are justified if all savings are actually also passed on to the government will be an often extremely precise job for the BWB price checkers.

The delivery of 20 Leopard 2 tanks in 1979 and 100 in 1980 summons many critics to the scene who fear that the Army will have difficulties with repair if there is such early delivery---this was true at the time with the sixth lot of the Leopard 1 and its new fire control system. In cooperation with the Technical School of the Army in Aachen, there is the intention of bringing the T 21 turret with the Hughes fire control system up to series

production level and providing it with testing and adjusting devices. Likewise the Technical Service Regulations for maintenance grades 3 and 4 are to be made available. The exchange of constructions groups will also be tried in order to prove the efficiency of the weapons system and to train personnel.

Advantages, Disadvantages of Turbine Drive

Bonn WEHRTECHNIK in German Aug 77 p 28

[Text] It appeared in Germany on 2 June: The 1,500 hp tank gas turbine AVCO Lycoming AGT 1500 complete with transmission, which at first had been regarded very critically, then was so highly praised and now again is viewed by many with great suspicion. On the basis of the tank standardization agreement between the FRG and the United States, the generally outdated turbine is being made available to us gratis. It is now to be installed in a Leopard 2 prototype in Kiel at Mak, after this company has carried out the installation investigations. With the exception of the somewhat greater length, there is a good fit of the power plant in the Leopard 2. Whether the purchase of another turbine by the Ministry of Defense will result is still doubtful, because the price demanded, including engineering care, is viewed as being much too high. The Leopard with turbine could still go into testing this year. The goal in this regard is to demonstrate compatibility in the entire system.

The big question, whether Germany--as deemed possible in the memorandum of understanding concerning the tank--will equip the Leopard 2 from series production with this turbine, is reserved for a later decision. Since series installation does not appear possible prior to 1984-1985, the question will be whether to equip the last 600-800 Leopard 2 tanks with a turbine.

Among the German military in any case, there is no longer any aversion to the turbine, although the diesel had been settled on earlier (hastily). The main argument against the turbine is its higher fuel consumption, especially when idling. If, however, the additional consumption is related to the average annual distances traveled, 1,000 km per tank, then the logistic additional consumption is no doubt still acceptable. Although the added consumption of the turbine vis-a-vis the diesel is relatively high, it is still lower, for example, than with the Otto-motor of the M48. All advantages and disadvantages will have to be carefully weighed against one another in the matter of making a decision about the turbine.

On the part of the German Army there also remains the requirement for deep wading capability. It would be possible to dispense with the capability to submerge, since now more and more preference is given to bridge equipment for crossing rivers. Deep wading capability is, of course, not as easy to attain with the turbine as with the diesel, since it tolerates no back-pressure and thus could not be started in a tank in water. An attachable

exhaust air duct which projects above the turret would, however, provide a remedy in this case.

The advantages of the turbine--and they must now be proven--are its being very service-free, which perhaps saves a basic overhaul, and its greater service life, quite apart from its performance capability in regard to acceleration and quietness.

The companies in Europe, which formerly were completely dedicated to the diesel as a tank power plant, have suddenly come wide awake because of the AGT 1500. Their efforts are now aimed at developing a second generation tank turbine, nationally or cooperatively. Company studies have shown that such a turbine should be superior to the diesel in all sectors, with outputs over 2,000 hp. But governments are also afraid to make available money now for new development of a not exactly inexpensive turbine, since it is not now possible to foresee how the tank of the nineties will look, and whether it will even require such high driving power.

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